

TREME CHARTER SCHOOL ASSOCIATION, INC.

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/21/10

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Treme Charter School Association, Inc.

We have audited the accompanying statement of financial position of the **Treme Charter School Association, Inc. (TCSA)** (a not-for-profit corporation) as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of TCSA. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TCSA as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Treme Charter School Association, Inc.
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In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2010 on our consideration of TCSA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of TCSA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010



TREME CHARTER SCHOOL ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Cash	\$130,002
Grants receivable	846,006
Equipment, net (NOTE 2)	<u>8,144</u>
Total assets	<u>\$984,152</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$240,956
Deferred revenues	<u>155,263</u>
Total liabilities	<u>396,219</u>
Net assets:	
Unrestricted (NOTE 1)	<u>587,933</u>
Total net assets	<u>587,933</u>
Total liabilities and net assets	<u>\$984,152</u>

The accompanying notes are an integral part of these financial statements.

TREME CHARTER SCHOOL ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES

Local Sources:

Per pupil aid - MFP (NOTE 1)	\$1,905,450
Other	<u>23,956</u>

Total revenues from local sources	<u>1,929,406</u>
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State Sources:

Per pupil aid - MFP (NOTE 1)	1,432,132
Grants (NOTE 9)	<u>323,391</u>

Total revenues from state sources	<u>1,755,523</u>
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Federal sources	<u>808,473</u>
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Total revenues	<u>4,493,402</u>
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The accompanying notes are an integral part of these financial statements.

(CONTINUED)

TREME CHARTER SCHOOL ASSOCIATION, INC.
STATEMENT OF ACTIVITIES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

EXPENSES

Instruction:	
Regular	\$2,644,430
Special	<u>169,448</u>
	<u>2,813,878</u>
Support Services:	
Pupil	114,970
Instructional staff	95,323
General administration	45,961
School administration	443,771
Business services	476,051
Operation and maintenance of plant	599,424
Transportation	291,630
Operation of non-instructional services	<u>17,170</u>
Total support services	<u>2,084,300</u>
Total expenses	<u>4,898,178</u>
Change in net assets	(404,776)
Unrestricted net assets, beginning of year	<u>992,709</u>
Unrestricted net assets, end of year	\$ <u>587,933</u>

The accompanying notes are an integral part of these financial statements.

TREME CHARTER SCHOOL ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$(404,776)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Write-off of equipment	29,942
Depreciation expense	280
Decrease in grants receivable	42,002
Decrease in other receivables	1,432
Decrease in accounts payable and accrued liabilities	(92,146)
Increase in deferred revenues	<u>155,263</u>
Net cash used in operating activities	<u>(268,003)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>(8,424)</u>
Net cash used in investing activities	<u>(8,424)</u>
Decrease in cash	(276,427)
Cash, beginning of year	<u>406,429</u>
Cash, end of year	<u>\$ 130,002</u>

The accompanying notes are an integral part of these financial statements.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - **NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES:**

General

The **Treme Charter School Association, Inc. (TCSA)** was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2007 to operate a Type 5 public charter school d/b/a McDonogh No. 42 Elementary Charter School.

During the 2009 school year, TCSA served pre-kindergarten through eighth grades, with an enrollment of 504 students.

Basis of Accounting

TCSA's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equipment

Equipment of TCSA with a cost of \$5,000 or more is recorded as assets (capitalized) and is stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Equipment, Continued

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by TCSEA. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Grants Receivable

The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less. TCSEA had no cash equivalents at June 30, 2009.

Income Taxes

TCSEA is in the process of applying for tax exempt status under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes was made in the accompanying financial statements while the tax exempt status is pending.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", TCSA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of TCSA.

Temporarily Restricted Net Assets - Contributions specifically authorized by donors to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by TCSA. Generally, the donors of these assets permit TCSA to use all or part of the income derived from the investment of these contributions.

At June 30, 2009, TCSA has no temporarily or permanently restricted net assets.

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No 116, "Accounting for Contributions Received and Contributions Made", unconditional promises to give (pledges) should be recorded as receivable and revenues and TCSA is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Contributions, Continued

Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets.

Minimum Foundation Program (MFP)

TCSA, as a Type 5 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at TCSA. The amount of funding received is adjusted during the school year based on a student count on a designated date and the result of any audits performed.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying statement of activities.

NOTE 2 - EQUIPMENT:

The following is a summary of equipment at June 30, 2009:

Equipment	\$8,424
Less accumulated depreciation	<u>(280)</u>
Equipment, net	<u>\$8,144</u>

Depreciation charged to operations at June 30, 2009, was \$280.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - EQUIPMENT, CONTINUED:

During the June 30, 2009 fiscal year, TCSA's capitalization threshold policy increased from \$500 to \$5,000. As such, certain capital assets were written off in the amount of \$29,942, as a result of the capitalization policy change.

NOTE 3 - RISK MANAGEMENT:

TCSA is exposed to various risks of loss related to torts, theft of, damage to and destruction of property of which TCSA carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

TCSA maintains a non-interest bearing and low-interest bearing accounts at a local bank. The FDIC provides unlimited deposit insurance coverage on these accounts through its Temporary Transaction Account Guarantee Program. This unlimited insurance coverage is temporary and will remain in effect through June 30, 2010. At June 30, 2009, TCSA's deposits were fully insured.

NOTE 5 - CONTINGENCY:

TCSA is a recipient of federal and state grants. The grants are governed by various federal and state guidelines, regulations, and contractual agreements.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - CONTINGENCY, CONTINUED:

The administration of the programs and activities funded by these grants are under the control and administration of TCSA and are subject to audit and/or review by the federal and state grantors. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the Federal and State agencies may be subject to recapture.

NOTE 6 - RETIREMENT PLAN:

Substantially all employees of TCSA participate in the Teacher's Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll and TCSA is required to contribute 15.5% of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee.

TREME CHARTER SCHOOL ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - IN-KIND CONTRIBUTIONS:

TCSA received rent-free use of a school building from the Louisiana Recovery School District (RSD) and also the use of furniture and equipment rent-free. The estimated value of the use of the building and furniture/equipment was not readily determinable and no amounts have been recorded in the accompanying financial statements. In addition, food services were provided to TCSA by Orleans Parish School Board. The estimated value of the use of the food service was not readily determinable and no amounts have been recorded in the accompanying financial statements.

NOTE 8 - BOARD OF DIRECTORS' COMPENSATION:

The board of directors is a voluntary board, therefore, no compensation was paid to any board member during the year ended June 30, 2009.

NOTE 9 - STATE GRANT REVENUES:

For the year ended June 30, 2009, state grant revenues consisted of the following:

Professional Improvement Program	\$ 18,551
TANF	31,239
K-3 Reading and Math	22,620
LEAP	50,981
LA-4 Early Childhood Program	<u>200,000</u>
	<u>\$323,391</u>

SUPPLEMENTARY INFORMATION

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>FEDERAL</u> <u>CFDA</u> <u>NUMBER</u>	<u>FEDERAL</u> <u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION:		
Passed through Louisiana State Department of Education:		
Public Charter Schools Program (PCSP)	84.282	\$159,920
Hurricane Education Recovery Act - HEAP	84.938K	41,671
IASA Title I	84.010	349,850
IASA Title II	84.938A	45,619
IASA Title IV	84.186	580
IASA Title V	84.298	800
IDEA P.L. 101-476	84.027	<u>210,033</u>
Total U.S. Department of Education		<u>808,473</u>
Total Expenditures of Federal Awards		<u>\$808,473</u>

NOTE: The accompanying schedule of expenditures of federal awards includes the federal grant activity of TCSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See the Independent Auditors' Report on Supplementary Information.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Treme Charter School Association, Inc.

We have audited the financial statements of the **Treme Charter School Association, Inc. (TCSA)**, (a not-for-profit corporation) as of and for the year ended June 30, 2009, and have issued our report thereon dated March 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered TCSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TCSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of TCSA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects TCSA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of TCSA's financial statements that is more than inconsequential will not be prevented or detected by TCSA's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-01 through 09-06 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by TCSA's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09-01 through 09-03 to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TCSA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 09-03 and 09-07.

TCSA's responses to the findings identified in our audit are described in a separate corrective action plan.

This report is intended solely for the information and use of management, the **Treme Charter School Association, Inc.**'s Board of Directors, the Louisiana Recovery School District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Treme Charter School Association, Inc.

Compliance

We have audited the compliance of the **Treme Charter School Association, Inc. (TCSA)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. TCSA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of TCSA's management. Our responsibility is to express an opinion on TCSA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TCSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of TCSA's compliance with those requirements.

As described in items 09-07 through 09-09 in the accompanying schedule of findings and questioned costs, TCSA did not comply with requirements regarding the costs principles that are applicable to its Title I and PCSP programs. Compliance with such requirements is necessary, in our opinion, for TCSA to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, TCSA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of TCSA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered TCSA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TCSA's internal control over compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in TCSA's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in TCSA's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects TCSA's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by TCSA's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-07 through 09-09 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by TCSA's internal control. We consider all significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-07 through 09-09 to be material weaknesses.

TCSA's responses to the findings identified in our audit are described in a separate corrective action plan.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

This report is intended solely for the information and use of management, the **Treme Charter School Association, Inc.**'s Board of Directors, the Louisiana Recovery School District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: Unqualified opinion.
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: Yes Material weakness: Yes.
- C. Noncompliance which is material to the financial statements: Yes.
- D. Significant deficiencies in internal control over major programs: Yes Material weaknesses: Yes.
- E. The type of report issued on compliance for major programs: Qualified opinion.
- F. Any audit findings which are required to be reportable under Section 510(a) of OMB Circular A-133: Yes.
- G. Major programs:

<u>CFDA Number</u>	<u>Program</u>
84.010	IASA Title 1
84.282	Public Charter Schools Program

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: No.
- J. A management letter issued: No.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards

09-01 - Grant Expenses

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

As in the prior year, we noted during our audit that a significant amount of grant expenses at June 30, 2009 was not timely requested for reimbursement and many of the claims for reimbursement contained errors causing TCSA to re-submit those claims.

Effect

The interim financial statements were inaccurate for unrecorded accrued grant revenues due to the untimely requests for reimbursements of grant expenses.

Cause

TCSA did not have in place during the audit period procedures to ensure that all reimbursable grant expenses are timely claimed for reimbursement and properly recorded in the financial statements of TCSA at June 30, 2009 and claims for reimbursements are accurately prepared.

Recommendation

We recommend that TCSA immediately establish procedures to ensure that grant reimbursement expense requests are timely and completely filed with grantor agencies and properly accounted for.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
Continued**

09-02 - Financial Reporting

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our audit that accurate interim financial statements were not presented to the Board of Directors. The year-end financial statements were not completed until several months after year-end. Material audit adjustments were made to grants receivable, grant revenues, accounts payable and expenses at June 30, 2009.

Effect

The interim and unadjusted year-end financial statements were misstated, not timely prepared and not reliable for management's and the Board of Directors' review and analysis.

Cause

Financial reporting controls were not established to ensure that financial statements are prepared timely and accurately.

Recommendation

We recommend that management of TCSA immediately establish controls to ensure that financial statements are prepared timely (within 30 days of month end) and accurately.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued

09-03 - Submission of Audit Report

Criteria

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.

Condition

The June 30, 2009 audited financial statements were not submitted to the Legislative Auditor by the statutory due date of December 31, 2009. The Legislative Auditor had approved an extension of time for TCSA to file its annual June 30, 2009 financial report by no later March 31, 2010. TCSA was granted this extension for circumstances other than a natural disaster.

Effect

An audit report filed with an approved extension from the Legislative Auditor after the six (6) months time frame for any reason other than for a natural disaster is a violation of the State audit completion and submission law.

Cause

TCSA's financial statements were not timely completed.

Recommendation

We recommend that TCSA review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued

09-04 - Reclassifying Salary Expense

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

During the 2009 fiscal year, TCSA recorded semi-monthly salaries in the general ledger to a clearing account described as instructional-other. Each quarter upon filing of the IRS payroll tax form 941, the staff of TCSA reclassifies the amounts of salaries remaining in the instructional-other account to the proper function codes for the salary expense. At June 30, 2009, we noted that TCSA did not reclassify the salary balance of over \$200,000 in the instructional-other clearing account to the proper function codes. An audit adjustment was made to reclassify the remaining balance in the salary clearing account to proper function codes.

Effect

Expenses included in the unadjusted statement of activities were misclassified for the balance of salary expenses that were not reclassified to proper expense functions, such as instruction, support services, and operation of non-instructional services.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued

09-04 - Reclassifying Salary Expense, Continued

Cause

TCSA failed to follow established procedures that requires the salary expense clearing account to be cleared out quarterly by reclassifying amounts in the account to proper function codes.

Recommendation

We recommend that TCSA timely reclassify amounts temporarily recorded to the instructional-other clearing account, which was established to initially record gross salaries, to the proper expense functions.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued

09-05 - Deficit Spending

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

For the year ended June 30, 2009, TCSA had an excess of expenses over revenues of \$404,776. In our review of the minutes of the Board of Directors and Finance Committee meetings, we noted no evidence of discussions of the status of operations relative to an identification of any operational deficits that had occurred during the 2009 fiscal year. In addition, we noted no indication of the budget being amended to reflect the projected deficit.

Effect

The financial statements were materially misstated by TCSA not timely monitoring financial activity of TCSA. Also, sound management actions were not being done due to the lacked of financial information.

Cause

TCSA has not monitored the actual results of its financial operations on a monthly basis and compared to budget. Proper monitoring should have warranted a modification in its spending.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued

09-05 - Deficit Spending, Continued

Recommendation

The Board of Directors should require management to prepare financial statements that are timely and accurately prepared in order to effectively monitor operations and that the minutes of board meetings should reflect such.

Therefore, we recommend that in the future, minutes of the meetings of the Finance Committee reflect evidence of the Committee and Board awareness of any deficit or excess in financial operations. We also recommend that at the point in the fiscal year a deficit is anticipated the original budget be amended accordingly and presented to the Finance Committee.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards,
Continued**

09-06 - Tax Exempt Status

Criteria

To be exempt from Federal income taxes, under section 501(c)(3) of the Internal Revenue Code (IRC), an entity must file an application with the Internal Revenue Service (IRS).

Condition

We noted during our audit that TCSA has yet to be approved by the IRS as a tax exempt not-for-profit corporation. TCSA was incorporated in the State of Louisiana in March 2007.

Effect

TCSA will not be considered as a tax exempt organization under section 501(c)(3) of the IRC until the IRS approves its application, thus, exposing TCSA to federal tax consequences of a "C" corporation. By TCSA not currently being exempt from federal income taxes, TCSA (the Charter Operator) may have violated BESE rules relating to charter school operators.

Cause

TCSA failed to respond to the IRS for additional information in connection with its initial application to the IRS requesting tax exempt status. As a result, the IRS has closed the file. TCSA has not resubmitted its application as of the date of our report.

Recommendation

We recommend that TCSA immediately take the necessary action to submit a complete application to the IRS for the purpose of being exempt from Federal income tax under IRC section 501(c)(3).

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards

09-07 - Unallowed Costs

CFDA 84.010 Title I

Criteria

According to 2 CFR Part 230 Appendix A to Part 230 - General Principles, Section A.b., costs charged to a federal grant program must be reasonable as imposed by the terms and conditions of the award.

Condition

We noted during our audit that TCSA requested and received reimbursement of \$10,162 for salary of a school nurse; however, the salary of a nursing position was not approved in the Title I budget covering TCSA's 2009 fiscal year. Also, we noted during our testwork of allowable costs that TCSA requested and received reimbursement of \$155,560 for certain salaries and related benefit costs of employees who were not approved in the 2008-2009 Title I budget. The total amount of unbudgeted salaries and related benefits costs TCSA requested and received at June 30, 2009 was \$165,722.

Questioned Costs

\$165,722.

Effect

TCSA has been overpaid in reimbursed grant expenses.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards,
Continued

09-07 - Unallowed Costs, Continued

CFDA 84.010 Title I

Cause

TCSA lacks procedures to ensure the reimbursement requests submitted to grantor agencies are in agreement with approved program budgets, accurate and for allowable costs.

Recommendation

We recommend that TCSA establish procedures to ensure that grant expenses are requested for only budgeted and allowable grant expenses.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards
(Continued)

09-08 - Duplicate Expense Reimbursement

CFDA 84.010 Title I

Criteria

Title I Federal funds are passed through the Louisiana Department of Education (LDOE). As such, subrecipients of Federal funds are required to follow the guidance included in LDOE's "Grants Management Quick Reference" guide for requests for funds which states in part:

"Each recipient may request only actual expenditures for which he/she has issued a check for payment. Salaries and fringe benefits are the only exception of this policy. Due to the processing time incurred between the mailing of the claim for reimbursement and the actual receipt of funds from the LDOE, a recipient may estimate and request payroll costs one month in advance. However, on final determination of actual payroll costs, when an estimate of payroll is in excess of actual expenditures, the excess cash must be reported on the next claim for reimbursement. The amount of funds requested on the next claim for reimbursement must be reduced by the amount of the excess cash".

Condition

On two separate occasions, TCSEA claimed and received reimbursements for the same expense twice. The total amount of the duplicate expense reimbursements were \$40,202.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards,
Continued

09-08 - Duplicate Expense Reimbursement, Continued

CFDA 84.010 Title I

Questioned Costs

\$40,202.

Effect

TCSA received excess reimbursement for the amount of the duplicate grant expense reimbursement.

Cause

TCSA lacked adequate internal control procedures to detect or prevent duplicate expense reimbursement claims.

Recommendation

We recommend TCSA establish and immediately implement internal control procedures to detect and/or prevent TCSA from making duplicate expense reimbursement claims.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards,
Continued

09-09 - Duplicate Expense Reimbursement

CFDA 84.282 Public Charter Schools Program

Criteria

Public Charter Schools Program (PCSP) Federal funds are passed through the Louisiana Department of Education (LDOE). As such, subrecipients of Federal funds are required to follow the guidance included in LDOE's "Grants Management Quick Reference" guide for requests for funds which states in part:

"Each recipient may request only actual expenditures for which he/she has issued a check for payment. Salaries and fringe benefits are the only exception of this policy. Due to the processing time incurred between the mailing of the claim for reimbursement and the actual receipt of funds from the LDOE, a recipient may estimate and request payroll costs one month in advance. However, on final determination of actual payroll costs, when an estimate of payroll is in excess of actual expenditures, the excess cash must be reported on the next claim for reimbursement. The amount of funds requested on the next claim for reimbursement must be reduced by the amount of the excess cash".

Condition

TCSA claimed and received reimbursement for the same expense twice. The amount of the duplicate expense reimbursement was \$20,000.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards,
Continued

09-09 - Duplicate Expense Reimbursement, Continued

CFDA 84.282 Public Charter Schools Program

Questioned Costs

\$20,000.

Effect

TCSA received excess reimbursement for the amount of the duplicate grant expense reimbursement.

Cause

TCSA lacked adequate internal control procedures to detect or prevent duplicate expense reimbursement claims.

Recommendation

We recommend TCSA establish and immediately implement internal control procedures to detect and/or prevent TCSA from making duplicate expense reimbursement claims.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS

08 - 01 - Grant Expenses

We recommend that TCSA immediately establish procedures to ensure that grant reimbursement expense requests are timely and completely filed with granting agencies.

Current Status

Unresolved. See current year finding 09-01.

08 - 02 - Financial Reporting

We recommended that management of TCSA immediately establish controls to ensure that financial statements are prepared timely (within 30 days of month end) and accurately.

Current Status

Unresolved. See current year finding 09-02.

08 - 03 - Submission of Audit Report

We recommended that TCSA review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

Current Status

Unresolved. See current year finding 09-03.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS,
CONTINUED

08 - 04 - Chart of Accounts

We recommended that TCSA revise its current chart of accounts to classify transactions by program, function and object, as recommended by the Louisiana State Board of Elementary and Secondary Education.

Current Status

Resolved.

08 - 05 - Bank Debit Card Transactions

We recommended that TCSA perform a self-assessment to identify and measure fraud risks associated with the use of bank debit cards and establish policies and procedures based on such assessment to mitigate identified risks as well as to implement and monitor appropriate preventative and detective internal controls and other deterrent measures.

Current Status

Resolved.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS,
CONTINUED

08 - 06 - Retirement Contributions

We recommended that TCSA establish the necessary procedures and controls to ensure the financial statements include all transactions and events, and all assets, liabilities and net assets that should be recorded have actually been recorded.

Current Status

Resolved.

08 - 07 - Payroll Expenses and Liabilities

We recommended that TCSA immediately establish procedures to ensure that supporting documentation for all financial statement balances are readily available for internal or external reviews, audits, etc. Additionally, TCSA should immediately establish procedures to ensure that 941's and other tax forms are prepared accurately.

Current Status

Resolved.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS

08 - 08 - Submission of Single Audit Report

We recommended that establish procedures to ensure that single audit reports are submitted to the federal clearinghouse within the required time frame.

Current Status

Resolved.

08 - 09 - Chart of Accounts

We recommended that TCSA revise its current chart of accounts to classify transactions by program, function and object, as recommended by the Louisiana State Board of Elementary and Secondary Education.

Current Status

Resolved.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS, CONTINUED

08 -10 - Duplicate Costs Reimbursement Requests

We recommended that TCSA implement procedures to ensure that duplicate grant reimbursement requests are not made to grant programs.

Current Status

Unresolved. See current year findings 09-08 and 09-09.

SECTION III - MANAGEMENT LETTER

No matters reported.



1651 North Tonti Street
New Orleans, Louisiana 70119

504.942.3660
504.309.8032
FAX 504.309.8031

March 30, 2010

Dear Sirs:

The enclosed Corrective Action Plan has been prepared in response to the external audit of financial statements and major programs performed by Bruno and Tervalon, LLP CPAS at McDonogh 42 Elementary Charter School for the year ending in June 2009. The Corrective Action Plan details our strategies to improve any areas where deficiencies exist and to build on our areas of strength.

As the governing body of the school, the Treme Charter School Association, Inc. members are committed to conformity with accounting principles according to the standards in Louisiana and the United States of America.

Sincerely,

Roslyn J. Smith, Ph.D.
TCSA President

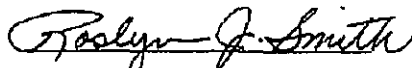
TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

In response to the external audit of the financial status at McDonogh 42 Elementary Charter School by Bruno and Tervalon, LLP CPAS, the Treme Charter School Association (TCSA) developed this Corrective Action Plan. The goal of the plan is to resolve any outstanding findings from the 2008 – 2009 audit and to ensure better fiscal compliance for the current fiscal year, 2009 – 2010.

In April 2009, following the Treme Charter School Association's initial external audit, a corrective action plan was developed to detect any mistakes made in the processes of bookkeeping, reimbursement requests, payment of vendors, and financial reporting. Because the plan was started late in the fiscal year, the corrective action plan was not in place for most of the months included in the current audit. Our objective was to use a reviewing system to detect any errors that were made and correct them before the end of the fiscal year.

An accounting firm was hired to improve the accuracy of our reports. There is still the need to focus on timely reporting. We believe that our reporting has improved since that audit. However, the processes for improving the financial record keeping evidenced weaknesses which were detected after the fact in most cases and only during the mandated audit in others. Sporadic reviews are not diligent enough to prevent, detect, or correct possible reporting errors in the major programs. For this reason, we will be hiring a Chief Executive Officer who can provide constant oversight.

The Corrective Action plan put in place after the last audit did contribute to the issuance by the CPA of an unqualified opinion on the financial statements for the year ended June 30, 2009. The financial checks and balances currently being implemented should also result in an unqualified opinion from the external auditor for financial statements and major programs, a necessary component for the year ending June 2010. To reach this goal, we will increase the oversight and checks and balances of our financial procedures to ensure positive results on the 2009 – 2010 report.



Roslyn J. Smith, Ph.D.
TCSA President

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards

09 – 01 Grant Expenses

Recommendation

We recommend that TCSA immediately establish procedures to ensure that grant reimbursement expense requests are timely and completely filed with grantor agencies.

Response

TCSA concurs with the findings relative to Grant Expenses. TCSA was in its second year of operation, but its first year of receiving federal grant reimbursements. The requests for reimbursements were not requested in a timely manner because our applications for grant reimbursements were delayed until March 2009. The revenues for the grants were not available when the fiscal year began because the grants were not approved by the Louisiana State Department of Education until February 13, 2009. Procedures have been put in place to ensure reimbursement requests are completed at least quarterly. Increased oversight should also result in fewer errors that require us to re-submit claims.

Corrective Actions

- Treme Charter School Association is hiring a Chief Executive Officer who will provide daily oversight to the financial and academic processes at McDonogh 42 Elementary Charter School.
- The Business Manager ensures that 90% of all grant reimbursement expense requests are submitted to the Louisiana State Department on a quarterly basis.
- An Internal Audit of External Grants will be conducted semi-annually by the TCSA Finance Committee.
- The TCSA Finance Committee will request a detailed listing of all sources of revenues through external grants and the budget categories to monitor quarterly program reimbursement completion.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported

In Accordance with Government Auditing Standards

Continued

09 – 02 Financial Reporting

Recommendation

We recommend that the management of TCSA immediately establish controls to ensure that the financial statements are prepared timely (within 30 days of month end) and accurately.

Response

TCSA fully concurs with the findings relative to Financial Reporting. Monthly financial statements were presented to the Board of Directors at every Board meeting held. However, the reports were not accurate. An accountant has been hired to prepare and submit accurate financial statements to the Board of Directors. A Financial Committee of the Board will also be created to review the interim statements with the CEO (June 2009), accountant and the Business Manager before the reports are presented to the Board of Directors at the monthly meetings.

Corrective Actions

- The TCSA Board created a Finance Committee to review financial statements for the Board meetings. Additional Board members have been recruited to increase effectiveness.
- We will hire a CEO to provide daily oversight to financial matters and timely reporting to the TCSA Board.
- TCSA hired an accountant to set up general ledger accounts and assist with important bookkeeping oversight including monthly financial statements, quarterly state reports, the Annual Financial Report and the Annual Operating Budget.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported

In Accordance with Government Auditing Standards

Continued

09 – 03 Submission of Audit Report

Recommendation

We recommend that TCSA review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

Response

TCSA fully concurs with the findings relative to the Submission of Audit Report. The TCSA Board acknowledges the time and effort required by the Audit Report and subsequently started the process too late to complete it according to LSA-RS 24:513 (A) (5) (I). We have reviewed the changes in procedures with the contracted accountant firm and the external auditor to prevent late reporting in the future.

Corrective Actions

- **Require financial statements for every TCSA Board meeting to be submitted by the accountant on a monthly basis.**
- **Scheduled a meeting with the external auditor to plan details of the procedure with meeting timelines, completion dates, requests for information and protocols established by the auditor and auditee.**
- **Began the external audit procedure no later than September 30 to ensure a full three months of review time that will prevent the need for an audit extension request.**
- **Organized all payroll documents, external grant documentation, and check/voucher files for a less protracted review by auditors.**

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported

In Accordance with Government Auditing Standards

Continued

09 – 04 Reclassifying Salary Expense

Recommendation

We recommend that TCSA timely reclassify amounts temporarily recorded to the instructional-other clearing account, which was established to initially record gross salaries, to the proper expense functions.

Response

TCSA concurs with the findings relative to Reclassifying Salary Expense. The end of year payments for sick and accrued days, bonuses, and pay-for-performance were not reclassified to salaries at the end of the year. We will ensure that this reclassification occurs at the end of the fourth quarter of 2009 – 2010 when we are allowed to access the PEP files.

Corrective Actions

- The school's accountant will create the reclassification reports on salary expenses at the beginning and ending of each year. The general ledger clearing account described as instructional-other will use proper function codes for such areas as instruction, support services, operation of non-instructional services, etc.
- The Business manager will submit the reports on the PEP system with adjustments twice a year, whenever the system is open to accept changes.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported

In Accordance with Government Auditing Standards

Continued

09 – 05 Deficit Spending

Recommendation

We recommend that in the future, minutes of the meetings of the Finance Committee reflect evidence of the Committee and Board Awareness of any deficit or excess in financial operations. We also recommend that at the point in the fiscal year a deficit is anticipated the original budget be amended accordingly and presented to the finance Committee.

Response

TCSA partially concurs with the findings relative to Deficit Spending. Records of the meetings of the Board reflect the financial reports as a part of the agenda each month. The specifics of the financial report were not included unless there was an issue upon which the Board needed to vote. It is clear that the reporting of finances should be improved for transparency and fiduciary responses to any inquiries about public funds.

We were aware of the excess of expenses over revenues for the year ending June 30, 2009. However, revenues exceeded expenses for the previous year, reimbursements were anticipated, and the surplus from the previous year was available to cover expenses. Additionally, we were in the process of developing the new budget for the 2009 – 2010 year and decided to make needed adjustments in the new budget year. Closer monitoring of the budget throughout the year will be achieved with the assistance of the Board's accounting firm so that any necessary adjustments can be made to reflect better accounting practices.

Corrective Actions

- Minutes of the meetings of the Finance Committee will reflect evidence of the Committee and Board Awareness of any deficit or excess in financial operations.
- If at any point in the fiscal year a deficit is anticipated, the original budget will be amended accordingly and presented to the Finance Committee.
- The accounting firm will notify the Finance Committee is a budget adjustment is warranted during the year.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION II – Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
Continued

09 – 06 Tax Exempt Status

Recommendation

We recommend that TCSA immediately take the necessary action to submit a complete application to the IRS for the purpose of being exempt from Federal Income Tax under IRC section 501(c)(3).

Response

TCSA fully concurs with the findings relative to Tax Exempt Status. The required additional information in connection with the initial application to the IRS requesting tax exempt status will be completed on or before April 15, 2010 and the application will be resubmitted. This is an important task that was forgotten.

Corrective Actions

- The Business Manager will gather the additional information needed to resubmit the application to the IRA requesting tax exempt status.
- The TCSA Board will be notified and the date of receipt documented in the monthly meeting minutes when Tax Exempt Status has been conferred by the IRS.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

- We will hire a CEO to provide daily oversight to financial matters and timely reporting to the TCSA Board.
- The overpayment for the nurse's salary will be deducted from the next Title I Request for Reimbursements.
- Internal audits of federal grants will be conducted twice annually.
- The Business Manager and the Curriculum Coordinator will attend additional training in the process of requesting reimbursements to avoid this type of coding error in the future.
- Additional training will be provided to the Business Manager on the programmatic aspects of the grants in the reimbursement process.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION III – Findings and Questioned Costs Related to Federal Awards

09 – 08 Duplicate Expense Reimbursement

CFDA 84.010 Title I

Recommendation

We recommend TCSA establish and immediately implement internal control procedures to detect and/or prevent TCSA from making duplicate expense reimbursement claims.

Response

TCSA partially concurs with the recommendation relative to Duplicate Expense Reimbursement. A chart of accounts was developed to prevent/detect duplicate expenses reimbursements from occurring. This finding includes two reimbursement errors. The first error of a duplicate claim for \$36,967.50 was discovered during our internal review and an attempt to correct the overpayment was made during the 2008 – 2009 fiscal year. The process was delayed due to wait time for carryover funds being applied to the school's grant. The error was resolved with the 2008 – 2009 carryover funds in the first reimbursement request for the 2009 – 2010 year.

The second error for a \$3,234.00 reimbursement was not detected during the internal review because the charge involving an overpayment to a vendor was not paid in 2008 – 2009. The mistake by the school's clerical personnel was the duplication of payment for two invoices. The two checks for payment were subsequently used in the request for reimbursements. When the vendor returned the overpayment in November 2009, we discovered the overpayment. The internal review did not extend into the 2009 – 2010 year. The overpayment of \$3,234.00 will be made no later than April 15, 2010.

Corrective Action

- Internal audits of federal grants will be conducted twice annually.
- We will hire a CEO to provide daily oversight to financial matters and reimbursement requests.
- A more highly trained clerical has been hired to pay vendors.

TREME CHARTER SCHOOL ASSOCIATION, INC.
CORRECTIVE ACTION PLAN
MARCH 2010

SECTION III – Findings and Questioned Costs Related to Federal Awards

09 – 09 Duplicate Expense Reimbursement

CFDA 84.282 Public Charter Schools Program

Recommendation

We recommend TCSA establish and immediately implement internal control procedures to detect and/or prevent TCSA from making duplicate expense reimbursement claims.

Response

TCSA concurs with the findings relative to Duplicate Expense Reimbursement. Funds must be reimbursed to the PCSP grant in the next request for the excess reimbursement of \$20,000.00. A system of internal control procedures was devised to detect and/or prevent TCSA from making duplicate expense reimbursement claims. In this case, the system was not followed as designed and an error was made.

Corrective Action

- **We will hire a CEO to provide daily oversight to financial matters and reimbursement requests.**
- **The check roster lists will be utilized again this year. Each check is listed in the correct account and reimbursements are made and checked on hard copies before submitting the requests to LDOE.**
- **Internal audits of federal grants will be conducted twice annually.**
- **Improved recordkeeping using a web based computer program will provide clearer information for requesting reimbursements from the correct grant.**

TREME CHARTER SCHOOL ASSOCIATION, INC.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2009

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**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Treme Charter School Association, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Treme Charter School Association, Inc. (TCSA)** and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management, Board of Directors, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

Our procedures and findings relate to the accompanying schedules and are as follows:

***General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources (SCHEDULE 1)***

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No differences noted.

Education Levels of Public School Staff (SCHEDULE 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this schedule and to TCSA's supporting payroll records as of October 1, 2008.

No differences noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Education Levels of Public School Staff (SCHEDULE 2), Continued

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (SCHEDULE 3)

5. We did not obtain a list of schools by type as reported on the schedule. Also, we did not compare the list to TCSA's and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

This procedure was not applicable because TCSA operates only one charter school, which includes grades Pre-K to 8th.

Experience of Public Principals and Full-time Classroom Teachers (SCHEDULE 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Public School Staff Data (SCHEDULE 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Certain data reported to the State in the June 30, 2009 Profile of Educational Personnel report was incorrect. TCSA provided us with the corrected data, which we tested noting no differences. The accompanying Schedule 5 reflects the corrected data.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (SCHEDULE 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1, 2008 roll books for those classes and determined if the class was properly classified on the schedule.

No differences noted.

**Louisiana Educational Assessment Program (LEAP) for
the 21st Century (SCHEDULE 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by TCSA.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Graduation Exit Exam for the 21st Century (SCHEDULE 8)

11. We did not obtain test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by TCSA.

This procedure was not applicable because TCSA operates only one charter school, which includes grades Pre-K to 8th.

The iLEAP Tests (SCHEDULE 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by TCSA.

No differences noted.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)

SCHEDULE 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum, Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

SCHEDULE 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 4 - Experience of Public Principals and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 5 - Public School Staff Data

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26, 27-33, and 34+students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**SCHEDULE 7 - Louisiana Educational Assessment Program (LEAP)
for the 21st Century**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE 8 - The Graduation Exit Exam for the 21st Century

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 9 - The iLEAP Tests

This schedule represents student performance testing data and includes statewide and district summary scores for grades 3, 5, 6, 7 and 9 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009**

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$	1,465,358
Other Instructional Staff Activities		384,760
Employee Benefits		343,234
Purchased Professional and Technical Services		-
Instructional Materials and Supplies		581,784
Instructional Equipment		-
Total Teacher and Student Interaction Activities	\$	2,775,136

Other Instructional Activities 38,742

Pupil Support Activities 114,970
 Less: Equipment for Pupil Support Activities -
 Net Pupil Support Activities 114,970

Instructional Staff Services 95,323
 Less: Equipment for Instructional Staff Services -
 Net Instructional Staff Services 95,323

School Administration 443,771
 Less: Equipment for School Administration -
 Net School Administration 443,771

Total General Fund Instructional Expenditures \$ 3,467,942

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

Earnings from 15th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See accompanying independent accountants' report on applying agreed-upon procedures.

TREME CHARTER SCHOOL ASSOCIATION, INC.

Schedule 2

Education Levels of Public School Staff
As of October 1, 2008

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	21	84%	5	83%	2	100%		
Master's Degree	3	12%	1	17%				
Master's Degree +30	1	4%						
Specialist in Education								
Ph.D. or Ed.D.								
Total	25	100%	6	100%	2	100%		

See accompanying independent accountants' report on applying agreed-upon procedures.

TREME CHARTER SCHOOL ASSOCIATION, INC.**Schedule 3**

Number and Type of Public Schools
For the Year Ended June 30, 2009

Type	Number
Elementary:	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

See accompanying independent accountants' report on applying agreed-upon procedures.

TREME CHARTER SCHOOL ASSOCIATION, INC.

Schedule 4

**Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2008**

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ yrs.	Total
Assistant Principals	1	-	-	-	-	-	-	1
Principals	-	-	1	-	-	-	-	1
Classroom Teachers	4	2	5	2	4	3	11	31
Total	5	2	6	2	4	3	11	33

See accompanying independent accountants' report on applying agreed-upon procedures.

TREME CHARTER SCHOOL ASSOCIATION, INC.

Schedule 5

Public School Staff Data

For the Year Ended June 30, 2009

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 52,174	
Average Classroom Teachers' Salary Including Extra Compensation	53,665	
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries	31	

Note: Figures reported include all sources of funding (i/e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation.

See accompanying independent accountants' report on applying agreed-upon procedures.

Class Size Characteristics
As of October 1, 2008

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	45.1%	78	38.8%	67				
Elementary Activity Classes	13.2%	23	2.9%	5				
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	45.1%	78	38.8%	67				
Combination Activity Classes	13.2%	23	2.9%	5				

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students.

See accompanying independent accountants' report on applying agreed-upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0.0%	0	0.0%			0	0.0%	0	0.0%		
Mastery	2	3.6%	4	6.7%			4	7.3%	4	6.7%		
Basic	16	29.1%	21	35.0%			27	49.1%	25	41.7%		
Approaching Basic	22	40.0%	17	28.3%			17	30.9%	12	20.0%		
Unsatisfactory	15	27.3%	18	30.0%			7	12.7%	19	31.7%		
Total	55	100.0%	60	100.0%			55	100.0%	60	100.0%		

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0.0%	0	0.0%			0	0.0%	0	0.0%		
Mastery	0	0.0%	0	0.0%			1	1.8%	1	1.7%		
Basic	11	20.0%	10	16.7%			24	43.6%	16	26.7%		
Approaching Basic	32	58.2%	25	41.7%			18	32.7%	13	21.7%		
Unsatisfactory	12	21.8%	25	41.7%			12	21.8%	30	50.0%		
Total	55	100.0%	60	100.0%			55	100.0%	60	100.0%		

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0.0%	0	0.0%			0	0.0%	0	0.0%		
Mastery	0	0.0%	0	0.0%			1	2.5%	0	0.0%		
Basic	14	35.0%	5	15.6%			8	20.0%	10	32.3%		
Approaching Basic	18	45.0%	15	46.9%			14	35.0%	14	45.2%		
Unsatisfactory	8	20.0%	12	37.5%			17	42.5%	7	22.6%		
Total	40	100.0%	32	100.0%			40	100.0%	31	100.0%		

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0.0%	0	0.0%			0	0.0%	0	0.0%		
Mastery	0	0.0%	0	0.0%			0	0.0%	0	0.0%		
Basic	4	10.0%	2	6.3%			5	12.5%	1	3.1%		
Approaching Basic	16	40.0%	10	31.3%			16	40.0%	9	28.1%		
Unsatisfactory	20	50.0%	20	62.5%			19	47.5%	22	68.8%		
Total	40	100.0%	32	100.0%			40	100.0%	32	100.0%		

The 2008 fiscal year was the first year of operations of TCSA; therefore, the information for the 2007 fiscal year is not applicable.

See accompanying independent accountants' report on applying agreed-upon procedures.

The Graduate Exit Exam for the 21st Century
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

Note: This schedule does not apply.

See accompanying independent accountants' report on applying agreed-upon procedures.

The iLEAP Tests

For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0.0%	1	1.6%	1	1.7%	0	0.0%
Mastery	6	9.8%	2	3.3%	1	1.7%	8	13.3%
Basic	17	27.9%	21	34.4%	26	43.3%	19	31.7%
Approaching Basic	24	39.3%	22	36.1%	21	35.0%	22	36.7%
Unsatisfactory	14	23.0%	15	24.6%	11	18.3%	11	18.3%
Total	61	100.0%	61	100.0%	60	100.0%	60	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Basic	13	25.0%	16	30.8%	12	23.1%	15	28.8%
Approaching Basic	22	42.3%	13	25.0%	22	42.3%	21	40.4%
Unsatisfactory	17	32.7%	23	44.2%	18	34.6%	16	30.8%
Total	52	100.0%	52	100.0%	52	100.0%	52	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0.0%	1	4.5%	0	0.0%	0	0.0%
Mastery	0	0.0%	1	4.5%	1	4.5%	0	0.0%
Basic	11	50.0%	8	36.4%	8	36.4%	11	50.0%
Approaching Basic	7	31.8%	7	31.8%	9	40.9%	3	13.6%
Unsatisfactory	4	18.2%	5	22.7%	4	18.2%	8	36.4%
Total	22	100.0%	22	100.0%	22	100.0%	22	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0.0%	1	2.6%	0	0.0%	0	0.0%
Mastery	2	5.1%	0	0.0%	1	2.6%	1	2.6%
Basic	15	38.5%	20	51.3%	12	30.8%	16	41.0%
Approaching Basic	11	28.2%	13	33.3%	17	43.6%	13	33.3%
Unsatisfactory	11	28.2%	5	12.8%	9	23.1%	9	23.1%
Total	39	100.0%	39	100.0%	39	100.0%	39	100.0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *iLEAP* Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	1.8%	0	0.0%	0	0.0%	0	0.0%
Mastery	1	1.8%	0	0.0%	1	1.8%	1	1.8%
Basic	18	32.1%	16	28.6%	5	8.9%	19	33.9%
Approaching Basic	21	37.5%	16	28.6%	31	55.4%	22	39.3%
Unsatisfactory	15	26.8%	24	42.9%	19	33.9%	14	25.0%
Total	56	100.0%	56	100.0%	56	100.0%	56	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mastery	0	0.0%	1	4.3%	0	0.0%	0	0.0%
Basic	8	34.8%	7	30.4%	5	21.7%	5	21.7%
Approaching Basic	8	34.8%	6	26.1%	9	39.1%	9	39.1%
Unsatisfactory	7	30.4%	9	39.1%	9	39.1%	9	39.1%
Total	23	100.0%	23	100%	23	100.0%	23	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0.0%	1	2.3%	0	0.0%	0	0.0%
Mastery	1	2.3%	1	2.3%	1	2.3%	0	0.0%
Basic	16	37.2%	19	44.2%	15	34.9%	15	34.9%
Approaching Basic	11	25.6%	10	23.3%	16	37.2%	18	41.9%
Unsatisfactory	15	34.9%	12	27.9%	11	25.6%	10	23.3%
Total	43	100.0%	43	100.0%	43	100.0%	43	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Basic	8	18.6%	8	18.6%	5	11.6%	6	14.0%
Approaching Basic	19	44.2%	13	30.2%	16	37.2%	17	39.5%
Unsatisfactory	16	37.2%	22	51.2%	22	51.2%	20	46.5%
Total	43	100.0%	43	100.0%	43	100.0%	43	100.0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *ILEAP* Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

Note: Due to rounding, certain percentage totals may not equal 100%.

The 2008 fiscal year was the first year of operations of TCSA; therefore, this schedule is not applicable.

See accompanying independent accountants' report on applying agreed-upon procedures.

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Prior Year Finding #</u>	<u>Description</u>	<u>Resolved</u>
08-01	Grant Expenses	No
08-02	Financial Reporting	No
08-03	Submission of Audit Report	No
08-04	Chart of Accounts	Yes
08-05	Bank Debit Card Transactions	Yes
08-06	Retirement Contributions	Yes
08-07	Payroll Expenses and Liabilities	Yes
08-08	Submission of Single Audit Report	Yes
08-09	Chart of Accounts	Yes
08-10	Duplicate Costs Reimbursement Request	No

TREME CHARTER SCHOOL ASSOCIATION, INC.
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Current Year Finding #	Description	Resolved	Questioned Costs
09-01	Grant Expenses	No	No
09-02	Financial Reporting	No	No
09-03	Submission of Audit Report	No	No
09-04	Reclassifying Salary Expense	No	No
09-05	Deficit Spending	No	No
09-06	Tax Exempt Status	No	No
09-07	Unallowed Costs	No	\$165,722
09-08	Duplicate Expense Reimbursement	No	\$40,202
09-09	Duplicate Expense Reimbursement	No	\$20,000